

# Fact Sheet: Medicare Rx Low-Income Subsidy



This fact sheet is designed to help you understand your options. It does not imply endorsement of any option by the Washington State Office of the Insurance Commissioner or its SHIBA HelpLine service.

## EXTRA ASSISTANCE FOR MEDICARE BENEFICIARIES WITH LIMITED INCOME AND RESOURCES

Medicare beneficiaries interested in signing up for Medicare's new prescription drug program (Part D) may qualify for financial assistance from the Social Security Administration (SSA) to help pay for their monthly premiums, deductibles, and co-payments.

Starting in late May and through August, the Social Security Administration is mailing letters and applications for a low-income subsidy (LIS) to Medicare enrollees in Washington. Medicare enrollees who receive a letter may qualify for financial assistance: a subsidy that can reduce out-of-pocket expenses for prescription drugs.

The letter will include important information about the subsidy, along with an application and instructions on how to apply for assistance. Complete the application and return it in the enclosed postage-paid envelope. Beginning July 1, 2005, you also can apply online at [www.socialsecurity.gov](http://www.socialsecurity.gov)

The Social Security Administration will begin reviewing applications on July 1, 2005. If you qualify for assistance, you will receive a letter telling you how much assistance you're eligible to receive.

Whether or not you qualify for assistance will be based on three factors:

- Your family size
- Your income
- Your resources (assets)

The following chart indicates the income and resource levels necessary to be eligible for assistance under Medicare's new prescription drug program (Part D):

Family	Monthly Income	Resources (assets)
Single	\$1,196.25	\$11,500
Married	\$1,603.75	\$23,000

Income limits are higher for a family of three or more. When filling out your application, include your dependents—children or adults—who live with you.

Eligibility for assistance is determined based on your *gross income*.

**Examples of gross income are:**

- The amount of your Social Security check *before* your Medicare Part B premium is deducted from it.
- The amount of your retirement check or pension before taxes.

Some items are *not* considered to be a resource or an asset.

**Items *not* considered to be a resource:**

- The value of your home (primary residence)
- Your automobile
- The value of your furnishings and household possessions
- Life insurance
- Pre-paid burial expenses

**Items that *are* considered to be a resource or an asset include:**

- RV or boat
- Cash/savings in bank
- Stocks
- Real estate (beside the home you live in)
- Certificates of deposit
- IRAs
- Savings bonds
- Pensions
- Rental units

If you need help filling out the low-income application, or if you have any questions about Medicare's new prescription drug program (Part D), contact the **Statewide Health Insurance Benefits Advisors (SHIBA) HelpLine**—a service of the Office of the Insurance Commissioner—at 1-800-562-6900. You can also find resources at [www.insurance.wa.gov](http://www.insurance.wa.gov).

For more information on the low-income subsidy, visit [www.socialsecurity.gov/prescriptionhelp/](http://www.socialsecurity.gov/prescriptionhelp/) or call the Social Security Administration at 1-800-772-1213. TTY users should call 1-800-325-0778.

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Expert professional staff answer questions and educate you regarding problems with any kind of insurance or insurance company—**auto, life, disability, health, homeowner/tenant, or other**. We have the authority to investigate complaints against insurers and agents, provide dispute resolution, and enforce insurance law on your behalf.

### **SHIBA\* HelpLine**

Counselors assist and advocate regarding **health insurance** and **health care/prescription access**. A statewide volunteer network offers individual counseling and group education in **local** communities to help you understand your rights and options. We can help with **private insurance** and **public programs**, policy evaluations, billings, appeals, and more.